

VZCZCXRO0137

RR RUEHAG RUEHBZ RUEHCHI RUEHCN RUEHDT RUEHGI RUEHHM RUEHMR RUEHPA
RUEHPB RUEHPOD
DE RUEHHI #0354/01 1050944
ZNR UUUUU ZZH
R 150944Z APR 09
FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 9517
INFO RUEHHM/AMCONSUL HO CHI MINH 5783
RUEHGV/USMISSION GENEVA 1260
RUEHZS/ASEAN REGIONAL FORUM COLLECTIVE
RUCNWTO/WORLD TRADE ORGANIZATION COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEAUSA/DEPT OF HHS WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RHEHNSC/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS SECTION 01 OF 02 HANOI 000354

SENSITIVE
SIPDIS

STATE PASS TO USTR RON KIRK
STATE PASS TO USTR (WEISEL, BISBEE, O'CONNOR)
USDA FOR SECRETARY VILSACK
USDA FOR US MILLER
USDA PASS TO FAS (OA, OSTA, ONA, OCRA)
USDA PASS TO APHIS (PPQ, IS, VS)
USDA PASS TO FSIS
HHS/OSSI/DSI PASS TO AND OGHA (JKULIKOWSKI/ACUMMINGS) and FDA
(MLVALDEZ/RCAMPBELL/MECKEL)
TREASURY FOR OASIA
USAID FOR ASIA (MELLIS, DSHARMA, CJENNINGS) AND GH (GSTEELE,
DCARROLL)

E.O. 12958: N/A

TAGS: [ETRD](#) [WTRO](#) [TBIO](#) [EAGR](#) [PINR](#) [SOCI](#) [USTR](#) [EAID](#) [VM](#)

SUBJECT: Vietnam's Agriculture and Rural Development Minister to Visit the United States

HANOI 00000354 001.2 OF 002

SENSITIVE BUT UNCLASSIFIED. NOT FOR DISSEMINATION OUTSIDE THE USG.

¶1. (U) SUMMARY. Vietnam's Minister of Agriculture and Rural Development Cao Duc Phat and a delegation of 10 will visit the United States April 20-23, beginning with visits to the University of California-Davis and ending with meetings in Washington, D.C. that include calls on USDA Secretary Vilsack, USTR Kirk and officials from USAID and FDA. Ambassador Michalak has told the Minister that U.S. officials could well raise U.S. beef access to Vietnam and the safety of Vietnamese fish and seafood exports. The Minister has said Vietnam may have a proposal to increase U.S. beef access to include boneless beef from cattle over 30 months. The Minister also hopes to use the visit to strengthen cooperation on avian influenza and animal health in general, plant health, climate change, disaster relief, and agricultural technology, most notably biotechnology. END SUMMARY.

¶2. (SBU) Minister Phat is the first of five Vietnamese Ministers who will visit the United States in the near future. (The others are Ministers of Public Security, Defense, Home Affairs and Foreign Affairs.) These visits represent the Vietnamese government's initial attempts to engage the new administration and a unique opportunity to influence Vietnam's rapid transformation. While Vietnam lags behind on political reform, it aspires to improve its business climate and economic competitiveness, and we must link these goals with better governance, accountability, rule of law and increased respect for human rights.

¶3. (U) In trade, probably the biggest agricultural issue between the two countries, Vietnam has greatly expanded agricultural exports over the past 20 years while establishing an open regime for imports relative to most of its Asian neighbors. Vietnam has become a major

player in the world rice, seafood, coffee, cashew and spice markets while in recent years significantly lowering tariffs (in many important cases to zero) on nearly the entire range of its agricultural imports. In the 15 years since reestablishment of relations, U.S.-Vietnamese agricultural, forest and fishery trade has steadily grown from no trade to \$1.6 billion of Vietnamese exports to the United States and \$1 billion of U.S. exports to Vietnam in 2008.

¶4. (U) The Minister will spend April 20-21 in central California touring the University of California-Davis' agricultural research and education programs as well as nearby private agricultural companies. In Washington D.C. April 22-23, Minister Phat will meet with USDA Secretary Vilsack, USTR Kirk and officials from USAID and FDA. He also has asked to meet with the World Bank, the Senate Agriculture Committee and the Senate Foreign Relations Subcommittee on South Asia and the Pacific.

¶5. (SBU) In an April 9 meeting with Ambassador Michalak, Minister Phat expressed a strong desire to become a good partner with the United States in agriculture. The Ambassador recommended that the Minister be as frank and open as possible. In discussing specific issues that might arise, the Ambassador first noted the importance of Vietnam responding to the 2007 U.S. request to increase market access for U.S. beef. The Minister said that they were considering expanding access that is currently limited to beef from cattle less than 30 months old to also allow boneless beef from cattle over 30 months, but this still required approval at higher levels. He said he hoped to provide technical details to the Embassy before departing for the United States.

¶6. (SBU) The Ambassador also noted U.S. government concerns about the safety of Vietnamese fish and seafood exports to the United States. [Note: The Ministry of Fisheries was amalgamated into MARD last year. End Note.] He specifically cited the U.S. FDA's recent

HANOI 00000354 002.2 OF 002

draft report calling for comprehensive testing to protect the "Made in Vietnam label." [Note: FDA conducted an audit in September 2009. MARD provided unfettered access to the inspectors, visiting several facilities, showing both successes and true problems. The report sent to MARD March 2 as a draft described progress in improving the overall system of safety for fish and seafood, but recommends "that MARD reinstate the requirement that 100 percent of all aquaculture consignments intended for the U.S. market be tested for unapproved residues until such time as documentation is presented that shows (this degree) of testing is no longer necessary." Embassy expects a MARD response in mid-April. End Note] The Minister acknowledged difficulties but said the GVN is strengthening control systems for fish and seafood exports to the United States and all countries to make them more credible, trusted and transparent. He added that capacity building especially in management training was needed in a broader context to improve food safety. He did not specifically comment on the testing.

¶7. (SBU) The Ambassador noted that Phat's interlocutors might raise concerns that a number of new Vietnamese regulations that appear to be sanitary and phytosanitary (SPS) measures related to international trade have not been notified to the WTO. Indeed Vietnam has not notified an SPS measure in over a year. The Minister seemed unfamiliar with the issue but did note that his Ministry's SPS Office that is responsible for WTO notification was strapped for resources.

¶8. (SBU) The Minister said he hoped the trip would lead to closer ties in a number of areas of interest. He requested USG technical and financial assistance for next year's International Ministerial Conference on Avian and Pandemic Influenza to be held in Vietnam. He expressed his commitment to continued close cooperation with the U.S. to control the spread of avian influenza. He hopes to explore the potential for new memorandums of understanding to guide work in animal health (including zoonosis) and plant health. He also wished to discuss how the two countries could work together on climate change and disaster relief. Finally, the Minister noted his strong desire to increase cooperation on the development of agricultural technology. He reiterated comments he has made to the Ambassador

before that MARD strongly supports biotechnology--saying it had great potential with proper controls but that Vietnam needs "knowledge and cooperation to assure safety and implementation according to international standards." Accordingly, he noted Vietnam's need for assistance with biotechnology risk assessment. In general he said Vietnam's lack of human and institutional capacity hampered development of agricultural technology and he hoped his visit would prove helpful in addressing that problem.

19. (SBU) Bio Note: Dr. Phat was appointed Minister in 2004 after working his way up the Ministry's hierarchy over 20 years. He was appointed to the Communist Party's Central Committee in 2006. In the 1970's and 80's he studied in Russia where he received a Ph.D. in Agricultural Economics, and later in the mid-1990's he received a masters degree in Public Administration from Harvard's Kennedy School. Dr Phat has brought a leadership to his Ministry that has encouraged the introduction of market economics and modern technology to spur agricultural and rural development. Although soft spoken and reserved, he is personable and speaks English well.

Michalak